



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Albert Balagso

SUBJECT: PROPOSITION 49

DATE: May 25, 2006

Approved /s/

Date 05/24/06

RECOMMENDATION

Support Parks, Recreation and Neighborhood Services (PRNS) Department's efforts to pursue more opportunities to expand the San José After School system by applying as the fiscal agent for any of our major school districts that want to partner with the City for upcoming State of California Proposition 49 funds.

BACKGROUND

On March 17, 2006, the Mayor's March Budget Message directed the City Manager to report back to the City Council during the budget process with a specific strategy to secure Proposition 49 Funding for Level 2 After School Programs.

The City's San José After School program (SJAS) is a citywide system that provides opportunities for personal and academic growth through safe, fun and enriching out-of-school time services to San José children and youth.

The SJAS unit delivers three levels of service based on the following service component criteria via direct service and contracted partner organizations:

- Level 1: Provision of general tutoring and homework assistance. The average cost per site is \$10,200, funded through Healthy Neighborhoods Venture Fund.
- Level 2: Integration of recreation with the homework assistance component. The average cost per site is \$29,476, funded from the General Fund.
- Level 3: Comprehensive programs offered with a linkage to State curriculum standards, including literacy, math and science, leadership, education, and cultural arts with homework assistance and recreation components. Average cost per site is \$86,000, of which \$15,000 is funded from the General Fund, with the balance provided by State After School Education and Safety (ASES) and Federal 21st Community Learning Center (21st CCLC) monies.

In 2002, California voters passed a ballot initiative called Proposition 49, allowing every public elementary and middle school in California to access State funds for after school programs.

When implemented, Proposition 49 will more than triple the State's funding for after school programs from its current \$121 million to \$550 million. The State's financial analysis has shown that the financial trigger for release of this funding has now been met, and has included the Proposition 49 funding into the Governor's proposed budget for implementation in FY 2006 - 2007.

ANALYSIS

The release of these funds will directly impact the City's San José After School (SJAS) program by providing opportunities to expand and support our education partners. Over the past few months, various Bills have moved forward adjusting components of Proposition 49. Senate Bill (SB) 638 has moved the furthest, and was recently approved through the Assembly Education Committee. This Bill will be heard in the next few weeks by the Appropriations Committee. SB 638 also includes an amendment to mark this bill as "urgency," meaning that it can become effective immediately upon receiving a signature from the Governor. All indications show that this Bill will be approved, with implementation slated for Fall 2006.

With SB 638 showing the most promise to be approved in the next few weeks, the following analysis will show a parallel discussion as to the impacts and opportunities that Proposition 49 and the SB 638 version can provide.

General Comparison:

Proposition 49	SB 638
Elementary School allocation - \$50,000	Elementary School allocation - \$112,000
Middle School allocation - \$75,000	Middle School allocation - \$150,000
Application: Non-Competitive	Application: Competitive
Match Requirement: 50%, no Facilities can be claimed	Match Requirement: 33%, up to 25% of that match can be claimed as Facilities provision
Reimbursement Grant	Direct up front Grant
	Priority Funding: Current ASES sites, 21 st CCLC sites, other low income sites, all others

Proposition 49/SB 638 provides public elementary and middle schools a minimum allocation of \$50,000(Prop 49)/\$112,000(SB 638), and \$75,000(Prop 49)/\$150,000(SB 638), respectively, for after school programs. This provides a great opportunity for local schools to secure funding that provides a safe and enriching place for our children after school.

An important issue to note is that if SB 638 passes, and the per site amount increases, there will be a competitive process, and a priority funding allocation. The proposed priority funding grandfathers in current ASES sites, places 1st priority to current 21st CCLC sites that apply, and then targets other low income school sites. In light of that assessment, the City's San José After School program is pursuing strategies to be able to bring these needed funds to targeted schools of need.

The Prop 49 program design mirrors the State's current After School Education and Safety (ASES) program in which the San José After School program currently manages 21 school sites through Community Based Organization (CBO) contracts and direct City operation. The City also manages an additional 16 sites through the 21st Century Community Learning Center grants in a similar fashion.

Through these existing grants, SJAS is in partnership with the following school districts: Alum Rock, Berryessa, Campbell, Evergreen, Mt. Pleasant, Moreland, Oak Grove, San José Unified, and Santa Clara Unified. As such, with the proposed changes through SB 638, these currently funded 37 low income schools should receive funding at the increased cap amount (\$112,000 elementary, \$150,000 middle school).

In an effort to plan for implementation, PRNS staff has been meeting with State leaders and local superintendents to discuss planning and development options for Proposition 49 applications. Each individual school district would operate as the Lead Education Agency, and those listed above have chosen to utilize the City as the fiscal agent to manage the current ASES and 21st CCLC grant funds. Based on the current parameters of Proposition 49 and SB 638, the City is currently in discussions with individual school districts on their intentions toward Proposition 49 and continuing the partnership with the City. Regardless of whether districts decide to utilize the City as the fiscal agent, the students and parents in our neighborhoods would be benefiting from this effort.

For any expansion efforts, SJAS will also look to expand its network of Community Based Organizations to operate after school programs at individual school sites. Currently SJAS are in partnership with After School All-Stars, the Young Men's Christian Association, Boys and Girls Club, Cross Cultural Community Services, Center for Training and Careers, and Mexican American Community Services Agency.

To expand services the SJAS partnership will be targeting the schools in San José that currently serve populations of 40% or above Free and Reduced Lunch, and do not receive either ASES or 21st CCLC funding.

As of this date, there has been no release date set for the Request for Proposals (RFP), as such City staff will continue working with school districts to assess their plans. Most experts in the after school field believe that the RFP will come out this summer.

CONCLUSION

The implementation of Proposition 49 provides the City with a great opportunity to expand after school services in order to provide the neediest schools with a quality, and educationally enriching after school program.

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May 22, 2006

Subject: Proposition 49

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PUBLIC OUTREACH

Staff has discussed these concepts with local superintendents and/or their staff through phone calls, a meeting hosted by Mayor Gonzales on March 1, 2006, and a meeting hosted by the Santa Clara County Office of Education on April 3, 2006. An update was also given at the All Children Achieve Committee (ACA) meeting on April 13, 2006 and is scheduled for the next ACA meeting on June 8, 2006.

/s/

Albert Balagso,
Acting Director, Parks, Recreation, and
Neighborhood Services